



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
MICHIGAN LIQUOR CONTROL COMMISSION
DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
NOELLE A. CLARK, DIRECTOR

LIQUOR CONTROL

DATE: December 6, 2002

TO: Wholesalers
Wine Makers/Small Wine Makers
Executive Staff

FROM: Michigan Liquor Control Commission

RE: 2003 Product Adjustments

Attached is a copy of the Commission's December 3, 2002 Order that outlines the conditions under which wholesalers, wine makers and small wine makers may pick-up and exchange or refund beer, wine and mixed spirit products with retail licensees. The issuance of this blanket order eliminates the necessity of a separate Commission Order for each individual product exchange.

Please note that while outdated beer products may be returned for refund, beer products that are nearing out-of-date code may only be exchanged for like products on a one-for-one basis. Wholesalers are strictly prohibited from making adjustments in the form of cash or credit refunds on beer products nearing out-of-date code.

The enclosed Commission Order regarding product adjustments must be strictly adhered to. Any deviation from the attached Commission Order requires prior Commission approval. **Please note that product adjustments may not be made to retailers for either product overstock or discontinuance of a product by a retailer. Failure to adhere to the conditions of the Commission's product adjustment order will result in citations against both the wholesaler/wine maker and the participating retailer.**

Should any questions arise regarding the Commission's policy on product adjustments, please contact Rick Perkins at (517) 322-1420 or raperki@michigan.gov.

BULLETIN NO. 3048-17

Administrative Commissioners

Wholesalers
Wine Makers/Small Wine Makers

2003 Product Adjustments

IT IS THE ORDER OF THE COMMISSION THAT WHOLESALERS, WINE MAKERS AND SMALL WINE MAKERS MAY MAKE ALCOHOLIC LIQUOR PRODUCT ADJUSTMENTS TO RETAIL LICENSEES FOR BEER, WINE AND MIXED SPIRIT DRINK FOR THE 2003 CALENDAR YEAR PURSUANT TO RULE 436.1633 AND RULE 436.1735(5). PRODUCT ADJUSTMENTS MAY BE BY REFUND IN THE AMOUNT PAID FOR THE PRODUCT BY THE RETAIL LICENSEE OR PRODUCT REPLACEMENT OF LIKE PRODUCT ON A ONE-FOR-ONE BASIS. WHOLESALERS, WINE MAKERS, AND RETAILERS ARE RESPONSIBLE FOR MAINTAINING ADEQUATE RECORDS FOR ALL PRODUCT ADJUSTMENTS.

APPROVED REASONS FOR ALCOHOLIC BEVERAGE PRODUCT ADJUSTMENTS ARE:

1. OUTDATED PRODUCT.
2. SEASONAL CLOSING OF RETAIL LICENSEE.
3. RETAIL LICENSEE GOING OUT OF BUSINESS OR PLACING LICENSE IN ESCROW.
4. DRIVER/SALESPERSON DELIVERY ERROR.
5. ORDER ERROR BY RETAIL LICENSEE.
6. DISCONTINUANCE OF BRAND BY SUPPLIER.
7. LICENSE SUSPENSION OR REVOCATION.
8. SHORT FILL.
9. OFF TASTE, OFF COLOR, SEDIMENT IN PRODUCT, ADULTERATED PRODUCT, OR SPOILED PRODUCT.
10. BREAKERS OR LEAKERS AT THE TIME OF DELIVERY.
11. IRS OR MICHIGAN DEPARTMENT OF TREASURY SEIZURE.
12. SALEABLE PRODUCT NOT USED BY A SPECIAL LICENSEE.

IT IS THE FURTHER ORDER OF THE COMMISSION THAT WHOLESALERS MAY EXCHANGE LIKE PRODUCTS WITH RETAIL LICENSEES, ON A ONE-FOR-ONE BASIS, FOR BEER PRODUCTS NEARING OUT-OF-DATE CODE. WHOLESALERS ARE STRICTLY PROHIBITED FROM MAKING ADJUSTMENTS IN THE FORM OF CASH OR CREDIT REFUNDS ON BEER PRODUCTS NEARING OUT-OF-DATE CODE. ADJUSTMENTS FOR BEER PRODUCTS NEARING OUT-OF-DATE CODE ARE LIMITED TO PRODUCT EXCHANGES OF LIKE PRODUCTS ON A ONE-FOR-ONE BASIS.

